



# Communication on Progress

February 2018 – February 2019



MPRL **E&P** Pte Ltd.



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## Information on the Report

MPRL E&P became a signatory member of the United Nations Global Compact since February 2016 and submitted two Communication on Progress (CoP) reports in February 2017 and February 2018. This document consists of MPRL E&P's third CoP report which communicates the organization's business operations and strategies which align with the UNGC's Ten Principles covering human rights, labour, environment and anti-corruption. The data and information in this report was collected bi-annually and combined into this document which acts as our annual CoP submission to show our continued support and commitment towards the United Nations Global Compact.



## Statement of Commitment by the Chief Executive

MPRL E&P is an energy company involved in exploring for and producing oil and gas in Myanmar. Founded in 1996, MPRL E&P's asset portfolio in Myanmar consists of three assets located in the onshore region and three assets in the offshore region. MPRL E&P remains committed towards improving livelihoods by being at the forefront of providing energy to drive progress in the nation of Myanmar.

The corporate culture at MPRL E&P is influenced by our commitment to ethical and responsible business practices. We believe in developing a culture that promotes honesty and integrity, has a strong sense of focus on results-based performance, encourages the development of employees, and promotes sustainable development across the company's activities through dialogue and engagement.



At MPRL E&P, we conduct business to the highest standards of ethics, legitimacy and transparency, guided by a clear sense of social and environmental responsibility. We believe the growth of our organization is dependent on the empowerment of our employees. We strive to develop a thriving environment ensuring employees become involved in a process of continuous improvement. Our understanding and practice of ethical behavior towards our stakeholders is reflected in our Code of Conduct which applies to every employee in the company and offers guidance for our decisions and expectations involving professional behaviors.

I am proud that MPRL E&P became a signatory to the United Nations Global Compact in February 2016 where the Ten Principles of the compact have since been incorporated into our core management systems and policies. In each focus area of human rights, labor, environment, and anti-corruption, the Ten Principles reinforce the foundations of our organization, are communicated to relevant stakeholders through awareness and capacity development initiatives, and are monitored as a part of our compliance framework. In addition, I am also pleased to indicate our commitment and support towards the seventeen United Nations Sustainable Development Goals by aligning our strategies and initiatives with these goals where applicable.

To reaffirm and renew our support to the United Nations Global Compact, we submit our third Communication on Progress (CoP) report for the period covering Myanmar financial year 2018-19, which portrays:

- Our actions to further implement the United Nations Global Compact and its Ten Principles into our business strategy, culture, and operations.
- Our efforts to continually improve the integration of the United Nations Global Compact and its Ten Principles.
- Our performance outcomes reflecting our commitments thereafter being a signatory to the United Nations Global Compact and its Ten Principles.

We continue to showcase our commitment by sharing the information indicated in our third CoP with all of our stakeholders by using our primary channels of communication.



U Moe Myint  
Chief Executive Officer



## 1. Human Rights

### United Nations Global Compact Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights.

### United Nations Global Compact Principle 2

Businesses should ensure that they are not complicit in human rights abuses.

## 1.0 Our Human Rights Policy

MPRL E&P conducts business operations to the highest standard of ethics respecting and protecting internationally recognized human rights during the process. We endeavor to protect and promote human rights by coordinating with all stakeholders within our sphere of influence.

Human rights abuses are not tolerated nor encouraged in all projects undertaken by the company. Our human rights policy is applicable to every operation we are involved in and acknowledges both the rights of local communities in areas where we work and our employees.

Concerning local community rights, MPRL E&P strongly encourages employees, contractors, non-governmental organizations and governmental bodies to address the rights of communities surrounding our operations through active engagement and dialog. We conduct public consultation exercises focused on our local communities and also undertake needs assessments to identify the needs and concerns of the community which then enable us to identify and develop approaches to effectively and proactively address such needs and concerns. MPRL E&P recognizes and respects the culture and rights of indigenous peoples and endeavors to promote the practice of their traditions and customs. MPRL E&P also recognizes the communities' right to fulfill community duties essential to free and full development, highlighting our commitment towards promoting community empowerment and improvement through sustainable development.

With regard to employee rights, MPRL E&P commits to the following:

- Providing a safe, secure, and worker friendly environment
- To be an equal opportunity employer
- To positively stimulate professional and personal growth of our employees through the promotion of creativity and teamwork
- To not using any forced or compulsory labor
- To not discriminate against race, religion, gender, age, sexual orientation, religion, nationality or ethnicity
- Allowing employees to have the right to join trade unions where such rights are recognized by law.

MPRL E&P is dedicated to respecting human rights issues through internal controls relating to contracts, environment, ethical conduct, human resources, security, and social performance. Understand that we should provide, or assist in providing, remedy for human rights impact resulting from our activities. We require our operations to take a multi-stakeholder approach to establishing operational grievance mechanisms to facilitate resolutions of any grievances.

We commit ourselves to promote the sense of human rights by getting all stakeholders involved in the operations of our business. We regard ourselves to be respectful of the communities, security, labor rights and supply chain conditions.



## 1.1 Management Framework and Approach

Our commitment towards the human rights is reflected in the following areas of our management framework and approach:

1. Public consultation
2. Operational grievance mechanism
3. Community based volunteers and village development committees
4. Strategic community investment
5. Monitoring and evaluation

### 1.1.1 Public Consultation

There are a number of stakeholders that should be consulted during any onshore or off-shore projects. MPRL E&P engages with diverse groups ranging from small and large land-owners, fisherman, and farmers. We believe consultation is important in establishing effective communication and partnerships. Our approach to consultation is transparent, inclusive, and culturally appropriate.

Prior to initiating consultation activities, MPRL E&P takes the following into consideration:

- Community decision-making conventions and protocols
- Accessibility to information including information relating to impacts and mitigation measures
- Capturing the needs of all groups including those that are marginalized or vulnerable

MPRL E&P's consultation activities include:

- Information disclosure
- Community led participatory engagement
- Development of strategic partnerships

In 2018-2019, MPRL E&P's key public consultation initiatives consisted of the following:

1. Community needs assessment
2. Operational grievance mechanism awareness raising campaign
3. Stakeholder consultation for new well drilling campaign



MPRL E&P strongly believes in listening to the voices of the local community impacted by the daily business operations. A community meeting was hosted on May 3, 2018 at Mann Field. The village administration, development committees and community volunteers came together to discuss issues in a friendly and open manner, develop solutions and prioritize next steps. It also provided MPRL E&P's Senior Management with an opportunity to communicate its CSR efforts to the company's key stakeholders.





## 1.1.2 Operational Grievance Mechanism

MPRL E&P acknowledges the importance of engagement and buy-in from all its stakeholders. Disclosing information and providing platforms to promote 2-way communication are important factors to building a partnership.

MPRL E&P believes:

- An effective feedback mechanism is a safe, effective, and proactive process that receives complaints and/or concerns associated with the company’s operations.
- Stakeholders are provided with a constructive opportunity to develop a partnership with MPRL E&P by working together to minimize risk and address concerns.
- Concerns received can be resolved in a timely manner with all primary stakeholders within a confidential space.
- The views of each complainant are respected and not discriminated against.

MPRL E&P has developed a multi-stakeholder approach to designing an operational grievance mechanism in Mann field. This is the very first mechanism in Myanmar that has been facilitated and managed by MPRL E&P, the host local communities, and Myanma Oil and Gas Enterprise (MOGE), which is the state-owned enterprise involved in the capacity of both regulator and operator in the oil and gas sector of Myanmar. Best practices from the Mann field operational grievance mechanism is intended to be leveraged and used, where applicable, across assets operated by MPRL E&P.

The objective of the Mann field operational grievance mechanism is to enable local communities to have a voice and to ensure impact associated with operations affecting the environment and surrounding communities are solicited, monitored, and effectively addressed.

MPRL E&P considers our operational grievance mechanism to be essential in order to maintain a social license to operate in Mann field. The mechanism enables stakeholders to voice their concerns directly to the company first, instead of turning to third parties, and enables the company to respond to their concerns early before they escalate.

Designing a mechanism facilitated by community volunteers has proven to be successful as trust is immediately captured. In addition, strengthening the capacity of volunteers has led to improved decision making and empowerment.



## OGM Awareness Raising Campaign

MPRL E&P has been organizing an OGM awareness raising campaign for three years now. Before the OGM awareness raising campaign was kicked off, MPRL E&P had conducted a knowledge, attitude and practice (KAP) survey to determine the awareness level of the OGM; to explore the satisfaction level of complainants; and to identify process improvements required. The campaign design was made based on the KAP survey results. The CSR team always keeps awareness actionable and strives to achieve the underlying goal of this awareness campaign - which is improved engagement between MOGE, MPRL E&P and the 14 surrounding communities of Mann Oil Field.

The two-phased awareness raising campaign was run from October to November 2018 in order to promote awareness and the practice of the Operational Grievance Mechanism (OGM) among the communities in Mann Field with the support and efforts of the community volunteers. In this fiscal year, we came up with an idea to present factual information about the OGM in an illustrated format. With the inspiration of cartoonist 'Sa Ya Lay', the mobile cartoon gallery was open to Mann Field communities, MOGE personnel and MPRL E&P's Field Operations team members. The cartoon gallery received 1,870 visitors during the campaign period. As face painting is always a major hit with children, an artist from the community and an employee from the CSR & Communications Department painted cartoon characters and superheroes. The face painters really amped up the fun factor and added color and sparkle to the OGM Awareness Raising Campaign of the fiscal year 2018-2019.



Despite our awareness campaigns, there may be some people who do not know about the OGM or that it is relevant to them. In this case, community leaders also help to publicize the OGM and act as referral points. Designing a mechanism facilitated by community volunteers has proven to be successful as trust is immediately captured. In addition, strengthening the capacity of volunteers has led to improved decision making and empowerment.

## OGM Documentary Video and Animation

This year, MPRL E&P produced a documentary on the Operational Grievance Mechanism (OGM) and an animation video clip with the aim of disseminating the educational and informational message of the Operational Grievance Mechanism that is being implemented at Mann Field throughout Myanmar. The OGM Documentary was aired on state-run media, MRTV and both the documentary and animation were uploaded onto the website and social media of MPRL E&P. The articles on the Operational Grievance Mechanism (OGM) and Corporate Social Responsibilities (CSR) were featured in the state media, Myanma Alinn Newspaper for the knowledge of the general public.



### 1.1.3 Strategic Community Investment

MPRL E&P is committed to addressing business risks and balancing community needs through long-term investment activities that provide value and meaningful impact to the business and community. Our investment focuses on projects that address the impacts of our activities as well as development issues within the surrounding communities delivering lasting social, economic, and environmental returns for both host communities and business.

To achieve this objective, MPRL E&P will:

- Support community investment projects that meet the needs of the host community and address primary business risks and impact.
- Engage with all stakeholders to ensure sufficient data is collected and potential investment options are identified and confirmed with the community and business partners involved.
- Comply with all applicable laws, regulations, standards, and where internal policies require a higher standard, will comply with such higher standards.
- Apply monitoring and evaluation frameworks to track progress and report performance, and in particular, the impact of investments.
- Use standardized tools and guidelines to measure performance and communicate progress and challenges associated with investment projects.



MPRL E&P's strategic community investment framework involves community capacity building initiatives and community investment initiatives. Our community investment initiatives aim to engage with and support local communities where we operate. We do this through:

- Conducting community needs assessments prior to implementing Community Investment and CSR Initiatives
- Investing in sustainable livelihoods (education, capacity development, and vocational training)
- Improving well-being (improving access to water, sanitation, hygiene, health, and safety culture)
- Partnering with local groups and letting the community gain a sense of ownership by having them pay part of the contributions towards CSR Activities.

During the fiscal year 2018-2019, MPRL E&P has implemented a total number of 54 Community Investment initiatives and Community Empowerment which cover the following areas:

- Education
- Water, Health and Sanitation (WASH)
- Vocational Empowerment for the locals (Vocational Skills Training)
- Community Health Care Program

### 1.1.4 Community Based Volunteers and Village Development Committees

MPRL E&P's approach towards sustainable development and social management involves empowering local communities to be actively involved. We have developed and use a community volunteer framework in Mann Field whereby a volunteer from each community is recruited to act as the main liaison between the company and their respective community. The term of a community volunteer is one year whereby such community volunteers are given fit for purpose training with regard to communication and social/project management skills. They are also provided with cash and other incentives for volunteering their time and efforts towards the betterment of their respective communities.

Fourteen community volunteers are appointed on an annual basis from the communities surrounding Mann Field. They all work closely through the guidance and facilitation of MPRL E&P which has resulted in the formation of a partnership and the strengthening of a robust relationship between the local communities and company. Community volunteers are actively involved in executing community-based projects and are also responsible for encouraging further community participation, decision making and ownership.



## Community Investment Projects

MPRL E&P is able to identify key areas to focus on community investment projects based on significant needs that are identified during our annual needs assessments. Such needs are carefully assessed to ensure that they are essential needs (must-haves) as opposed to non-essential needs (nice-to-haves). Key to our assessment is to also ascertain that there are no clear alternatives for the local communities to address the 'must-have' needs. In our needs assessments, it is also important to identify and address essential needs that are shared or common amongst all 14 communities around Mann Field. Careful screening, selection, and execution of community investment projects are imperative to ensure that MPRL E&P is simply not providing 'free handouts' which would actually be counterproductive towards our social management objectives.

MPRL E&P pursues community investment projects that require that the community also provide a contribution towards such initiatives so that a strong sense of ownership and empowerment is also created. Such contributions range from involving local stakeholders in the early decision making process, having local stakeholders make a small financial contribution towards such community investment initiatives, and also having local stakeholders actively involved during the execution and on-going management of such community investment initiatives.

In the fiscal year 2018-19, 19 community investment initiatives have been implemented.



### School Fencing Project



### School Renovation Project



### School Furniture Provided



### Fire and Electrical Safety Awareness Sessions



## Water, Sanitation and Hygiene (WASH) in Schools

A strategic approach known as Water, Sanitation and Hygiene Education (WASH) in schools aims to improve the health and learning performance of school-aged children and, by extension, that of their families by reducing the incidence of water and sanitation-related diseases. Every child-friendly school requires appropriate WASH initiatives that keeps the school environment clean and inhibits the transmission of harmful bacteria, viruses and parasites. MPRL E&P installed 12 hand washing stations at schools in Mann Field during FY 2018-2019. As part of the WASH program, MPRL E&P's Field CSR team completed 'Wash and Learn' program to promote awareness on importance of washing hands among school children and community members.



## Mobile Health Care Program

MPRL E&P piloted a mobile clinic program with the aim of providing the most vulnerable with quality health care and prevention education for Mann Field communities. The clinic opened at three locations in the surrounding communities of Mann Oil Field. The clinic sees about 25 to 30 patients a day, receiving up to 1,720 patient visits as of February 2019. MPRL E&P's Field Camp Doctors, village administration, community volunteers and CSR Team put in a lot of coordinated effort to make this initiative successful and the program is made possible with the support of MPRL E&P's CSR program.





## Community-led Waste Management Program

A sustainable solution is in dire need for managing waste in Mann Field. A trial phase of the community-led waste management project was kicked off on January 1, 2019, with the support of MPRL E&P's CSR Program. A total of 371 volunteers - comprising of community members from the 8 communities, Trash Hero Minbu, and MPRL E&P's community volunteers, CSR and Field Operations Teams volunteered their time to take part in a major clean-up effort at Mann Field from 8th to 13th January 2019. This clean-up event, organized by MPRL E&P's CSR Program, yielded a massive trash haul of about 465 tons and involved a backhoe loader, a bulldozer and 54 trips of 3 dumps/ tipper trucks and 22 trips of a cargo tricycle. 262 tons of waste was transported to the landfill area in Minbu and 203 tons of waste was transported to a landfill area near Nan U and Auk Kyaung villages. Now, a cargo tricycle is provided, in the one-village-a-day schedule, for garbage collection and communities can properly dispose of waste. We hope the communities learn the importance of disposing waste responsibly and to take care of the environment.

### Metric Ton of Waste disposed

At Minbu Municipal Landfill Site

**261.8**



Moved by Backhoe, Bulldozer and Tractor

**203.09**



## Improving Agricultural Productivity and Rural Livelihoods Program

With the aim of improving the quality of life through sustainable agriculture, MPRL E&P organized a series of agricultural knowledge sharing sessions for Mann Field farming communities in collaboration with the Department of Agriculture, Minbu Township. Knowledge on agricultural production using the GAP system, systematic use of soil, chemical fertilizers, natural fertilizers and pesticides, selecting region-suited seeds, and good agricultural practices were shared and discussed between experts and community members. Besides, a site visit to demonstration farms on the Good Agricultural Practices (GAP) for Mann Field farming communities was also organized to link the agricultural theoretical knowledge with a practical one.



## Community Capacity Building Initiatives

MPRL E&P is committed towards enhancing and improving the livelihoods of the local communities in Mann field by helping them achieve self-reliance. Our needs assessments enable us to identify capacity gaps within each of the local communities based on a ranking system as well as the input of local communities, vocational/skills development training workshops are organized and facilitated by MPRL E&P each year.



## Capacity Building for Village Development Committees



One of the key objectives of the Village Development Committee (VDC) is to assist and monitor community investment activities in order to have sustainable long-term impact. The VDCs are responsible not only for being able to identify problems in the village, but also to create an environment where the community feels confident raising problems or concerns with committee members. To facilitate and empower the VDCs to carry out their responsibilities in an effective manner, there is a need to build the capacity of committee members. MPRL E&P has drawn a capacity building plan for VDCs for FY 2018-2019, which is a series of knowledge sharing sessions on “Coaching Community-based Organizations and Social Mobilization” for Village Development Committees and the Village Administration.

## Disaster Relief and Emergency Preparedness

MPRL E&P has embarked upon an emergency relief effort by conducting a rapid needs assessment which will help the company measure the damage caused and identify who were affected and their immediate needs at the onset of a natural disaster, providing access to accurate and timely information which is crucial for an effective disaster response program. During the rainy season, many houses and buildings in some villages in Mann Field had been damaged by erosion and a relief contribution was made to affected communities of Chin Taung/ Kywe Cha villages in Mann Oil Field due to the Mann Creek erosion. As part of ad hoc relief and resettlement measures, MPRL E&P contributed a total of MMK 4,800,000 to 32 households with each receiving Myanmar Kyats 150,000.



## CSR Progress Review

MPRL E&P always regards effective and continuous stakeholder engagement as crucial in building strong and positive relationship as MPRL E&P has stakeholders from different backgrounds including MOGE Mann and Communities. Regular quarterly and bi-annual stakeholder engagement meetings with MOGE Mann, MOGE Nay Pyi Taw and local communities are organized to keep them informed of the project activities, progress updates and reviews. During the year 2018, MPRL E&P organized stakeholder engagement meetings with MOGE Mann, MOGE Nay Pyi Taw and local communities.





## 2. Labour

### United Nations Global Compact Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

### United Nations Global Compact Principle 4

Businesses should uphold the elimination of all forms of forced and compulsory labour.

### United Nations Global Compact Principle 5

Businesses should uphold the effective abolition of child labour.

### United Nations Global Compact Principle 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

## 2.0 Our People Strategy

Employees at MPRL E&P are its greatest asset and investing in local talent is vital for MPRL E&P's growth and success. We strengthen our business through the development of skills and knowledge within our workforce, particularly local capacity within Myanmar, ensuring long-term sustainability.

Capability development is continuously provided to foster our people's skill and advancement. Employee engagement is key in providing a satisfying work environment and maintaining good relationships with our staff, as well as being a factor in attracting new talent to MPRL E&P.

Our strategy includes the following elements:

- Recognition – identifying and promoting talent from within where possible.
- Transparent communications – encouraging a transparent performance appraisal and rewards process that is clearly communicated and an open door policy to encourage open communication.
- Capacity development – encouraging staff training opportunities across relevant fields.

At MPRL E&P, the success of our people is a measure of the success of our business. We believe in creating an environment that encourages employees to continuously learn by themselves, from each other, and by mentoring relationships.

## 2.1 Management Framework and Approach

Being trained to work, and then working, in safe, healthy and environmentally responsible ways come first and foremost. Beyond that, MPRL E&P believes in enabling employees to develop to the extent of their abilities. We improve our skills and competencies by regular performance reviews, recognizing potential, undertaking education, training and coaching as appropriate, and offering professional development opportunities. MPRL E&P's Code of Conduct establishes sound conditions of work and disciplinary procedures and implements equitable and transparent remuneration and incentive systems.

We require safe and effective working relationships at all levels. We treat each other and those we deal with externally with dignity, fairness and respect, and also safeguard against harassment in the workplace.

### 2.1.1 Employee Engagement

We strive to build partnerships with people we work with. Our values unite us and guide our development and commitment to fostering innovation and establishing honesty and integrity. Our values shape who we are as a company and influences how we conduct business.



## Staff Engagement Campaign

As there are many stakeholders from different backgrounds, the staff at MPRL E&P is one of our main and key stakeholders. It is important to engage not only with external stakeholders but with internal stakeholders in doing business operations and build positive relationships with all the staff from different roles and responsibilities.

This year, with the aim of engaging and interacting staff from different departments, MPRL E&P organized an “Internal Staff Engagement Campaign” called “Tree of Inspirations”. This campaign was designed for all employees, including Senior Management to dangle colored notes on which inspirational and motivational quotes of each and every employee were written down and then hung onto the “Tree”. The employees, including Senior Management could write powerful motivational quotes on colored notes and dangle them onto the “Tree of Inspirations” so that the rest of the people can have a look at what others have written and be inspired.





## Town Hall Meeting

MPRL E&P also makes sure that the staff at all levels can have an open and transparent discussion with Senior Management, where they can build mutual trust and understanding. That is why, the Town Hall Meeting where two-way communications between staff at all levels and Senior Management and Executives were held both at the Yangon Office and Mann Oil Field Operations Office. The main objectives of holding the Town Hall Meeting is to raise the questions by employees about the matters that needs explanations and input by Senior Management.

During the year 2018-2019, MPRL E&P held 2 Town Hall Meetings at Mann Oil Field’s Operations Office and the Yangon Office, where employees asked questions related to the company vision, strategies, up to date information and personal development to Senior Management.



Town Hall Meetings 2017		<b>2</b> Organized
Corner Office Notes		<b>12</b> Released



## Corner Office Note

Another effective communication tool is the “Corner Office Note”, which is a document sent by a member of our leadership team on the first day of every month to all staff in the company. The Corner Office Note provides all staff an overview of key achievements and highlights of the previous month so that staff across departments and assets are aware of the ‘big picture’ and are able to better collectively deliver on results. The message is cascaded down to all staff and feedback is also actively solicited back from staff all the way up to leadership.

## Engaging Employees in Knowledge Sharing

MPRL E&P always takes into account proper internal communications to internal staff within the company to form, reinforce and disseminate the knowledge of respective functions of different departments for both technical and business support units. Most of the training topics cover the topics of Environment, Compliance, HSE and CSR programs.

	2016	2017	2018
 Internal Knowledge Sharing Section	148	201	108
 Training Man-hours	4,075	5,056	2,421
 Corporate Training	-	-	5
 Training Man-hours	-	-	2,086

During the year 2018, MPRL E&P arranged 108 internal knowledge sharing sessions for internal staff. Apart from internal knowledge sharing sessions, MPRL E&P published the quarterly Insight! Newsletter which is used as one of the main internal communications tools within the company.

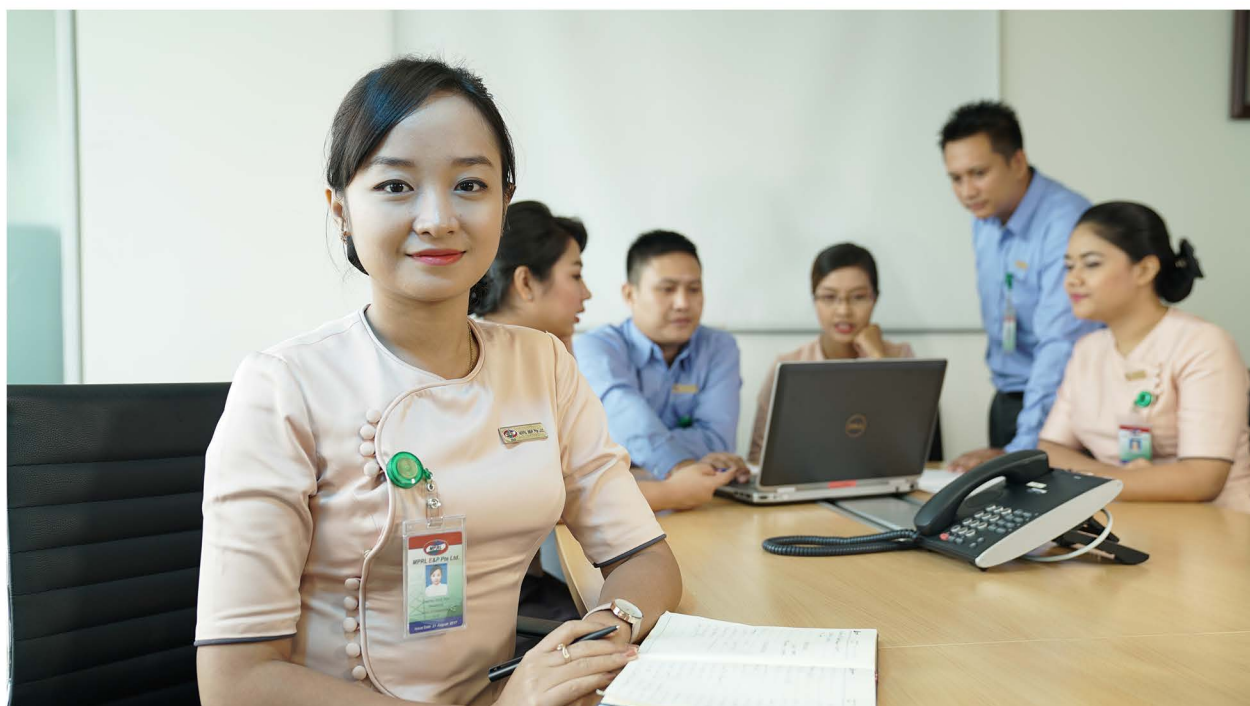


## Respecting Labour Laws prescribed by Ministry of Labour

An employment contract is a formal and legal agreement between two parties, the employer and the employee, and is designed to give both parties security and protection. Starting from January 2018, MPRL E&P renewed all of its employment contracts till December 2019 according to the new labour directive by the Ministry of Labour. At MPRL E&P, direct employees, apart from casual ones, sign an employment contract which is aligned with the prevailing national labour laws and regulations. The employment contract is regularly renewed every two years required by existing labour laws.

### 2.1.2 Workforce Diversity

As MPRL E&P is a Myanmar national led Oil and Gas Exploration and Production Company, 99% of the workforce are national staff with various skills levels and experiences. We offer job opportunities for talented Myanmar nationals and results driven professionals, which will make a good team that has global visions for the oil and gas industry.



## Internship Program

MPRL E&P nurtures the future of young generations in the field of science, technology and engineering. The hands-on experience has helped the students to gain a better understanding of how field equipment and processes work, of the importance of safety, and of communications to management. Students were provided with a chance to interact with experienced professionals and learn from best practices both in the Field Operations Office and Yangon Office of the company.





### 3. Environment

#### **United Nations Global Compact Principle 7**

Businesses should support a precautionary approach to environmental challenges.

#### **United Nations Global Compact Principle 8**

Businesses should undertake initiatives to promote greater environmental responsibility.

#### **United Nations Global Compact Principle 9**

Businesses should encourage the development and diffusion of environment.

### 3.0 Our Environmental Policy

MPRL E&P is committed to demonstrating appropriate and sincere respect for the environment, particularly for the prevention of any accidental loss of resources or assets likely to have an impact on the environment, company employees and communities located in the areas where we operate.

As a result, the following commitments influence our environmental strategy:

- Protect the environment in the communities where we work and live.
- Strive to prevent pollution, and seek improvement with respect to emissions, wastewater discharge, energy consumption, resource consumption and reduction of impact to the environment.
- Monitor the effects of our activities on the environment and take action to address such effects where necessary.
- Openly communicate our environmental performance with our work force, government and the host community through a variety of engagement methods that includes, but is not limited to, coordination meetings, disclosure workshops, and performance reviews.
- Comply with both national legislation and industry best practices such as the UN Global Compact on environment, and in particular, the seventh, eighth, and ninth principles of the compact.
- Foster a culture that empowers and rewards everyone to act in accordance with this policy.



MPRL E&P ensures active participation in achieving its goals and commitments by all employees and managers regardless of corporate hierarchy, contractor, and/or suppliers who individually and collectively are responsible for performance across the business value chain.

Responsibilities for environmental performance are visible throughout the organization, with clarity for line management accountability. The HSE Department and its working group are committed to embed a responsible culture instilling environmental best practices, develop management plans to monitor impacts, and minimize any adverse impacts from our operation.



### 3.1 Management Framework and Approach

MPRL E&P is committed to protecting the environment and respecting our neighborhoods to minimizing any adverse effects from our operations. Endorsing ISO 14001 in our management system and implementation of the internal policy in compliance with prevailing national laws and regulations, encourages MPRL E&P to achieve our commitment on protecting the environment where we work. The three environmental principles guided by the UN Global Compact are also embedded in our commitment. Committed to undertaking periodic impact assessments, analysis, audits and a monitoring system complying with international standards and guidance is not only for good results but also for better practices and performances. We ensure both positive and negative results are openly communicated through proper disclosure methods including coordination meetings, disclosure workshops, focused group discussions and public consultations.



We focus on enabling business operations to be improved in an environmentally responsible manner and commit to the following:

- Implementing environmental management plans to monitor and manage impacts as a result of our operations.
- Tracking and reducing emissions and consumption.
- Promoting access to environmentally responsible methods and information across the organization.

### 3.1.1 HSE Awareness Trainings

To achieve one of the objectives of the MPRL E&P's commitment on environment, the HSE Department provides a series of awareness raising sessions for employees, partners (including MOGE) and communities.

### 3.1.2 Accessibility to safety cards promoting Concern, Action, Reinforcement, and Encouragement (CARE Cards)

We have a 'CARE' card program for motivating and rewarding MPRL E&P and subcontractors' personnel who respect working in a safe and environmentally responsible way. The program has succeeded in substantially improving HSE performances by letting employees rate the safe and unsafe actions of the workplace based on factors such as social impact, environmental impact, tools and equipment, healthcare, welfare and other health and environmental concerns. The 'CARE' card program has been promoted and is applied at all sites/facilities managed by MPRL E&P. The tool can also be used to provide positive reinforcement where applicable and where positive behaviors or actions are observed.



### 3.1.3 Environmental Impact Assessments

An Environmental and Social Impact Assessment (ESIA) is the process of analyzing, monitoring and managing the intended and unintended social and environmental consequences of planned interventions. The process drives improvements to increase the value of programs and enable organizations to plan better, implement more effectively, and successfully bring initiatives to scale.

Environmental Management Plans (EMPs) and Environmental Action Plans (EAPs) have been developed to monitor and minimize environmental impacts associated with our projects. The plans provide mitigation measures required to minimize impact associated with project activities.

- Zero discharge targets
- Fuel and energy consumption reduction
- Well-site abandonment
- Environmental Analysis and Monitoring Framework
- Environmental Incident Response Plan
- Waste Management Plan
- Spills Management Plan



### 3.1.4 Audits and Inspections

MPRL E&P is committed to demonstrating appropriate and sincere respect for the environment, particularly for the prevention of any accidental loss of resources or assets likely to have an impact on the environment, employees and communities located in the areas where we operate.

Bi-annual environmental audits are regularly done to continuously improve Health, Safety, and Environmental (HSE) performance. In addition, we strive to embed a safety-first culture consistent with our fundamental goals.

We do monitor all operational practices are in compliance with prevailing national standards and laws.

- Zero accidents
- No harm to people
- Minimal environmental impact

### 3.1.5 Produced Water Management of Mann Field – Reached ZERO DISCHARGE Achievement

A common by product of mature oil fields such as Mann field is produced formation water that is commonly associated with oil production. Especially during late field life, managing large volumes of produced water becomes imperative and can have a significant impact towards the size of the ‘environmental footprint’ of an oil and gas asset. There are various approaches towards dealing with produced formation water that vary from treatment to disposal. At MPRL E&P, we focus on both with a goal to not only minimize our footprint, but to eliminate all produced water from being disposed of at the surface.

Proportion of  
Produced Formation Water  
Disposed Back into the  
Subsurface Formation

**100%**  
total  
produced  
water

Our initiative first involves treating produced formation water to ensure that the water’s qualities and properties do not vary from those of the original formation water before mixing with hydrocarbons. During this process, careful produced water disposal wells are also identified and selected through process that assesses the well’s integrity as well as its ability to handle injection. At the end of the process, through an approach of mechanical injection (pumps) or gravity drainage, all of the produced formation water in Mann field is reinjected back into the subsurface through these wells. As of August 2017, MPRL E&P is proud to indicate that we have achieved and maintained our zero discharge target for produced formation water.



### 3.1.6 Trash Hero Minbu

Mann Oil Field, which is located outside of the Municipal Area was facing the challenges of proper waste management until Trash Hero activity began. The local communities used to throw garbage and waste in nearby places and the garbage pile had grown in size. Though the local community is facing the difficulties of the trash problem, they had no idea where to begin to solve the issue till the Trash Hero Minbu Chapter was initiated by Trash Hero Myanmar for the very first time in September 2017.

During the very first Trash Hero Minbu activity, community volunteers assigned trash heroes from their respective villages who came together for the Trash Hero Minbu event. After the trash hero minbu activity, there have been a series of follow-up trash collecting activities that are initiated bi-monthly by Trash Heroes Minbu around 16 surrounding villages. Because of the regular trash collection in the community, the community is becoming aware of the problems triggered by the unsystematic disposal of wastes.



## Trash Hero Minbu Joined Trash Hero Family Meeting

In May 2018, Trash Hero Myanmar held the Trash Hero Family Meeting including all Trash Hero Chapters from all around Myanmar. During the get-together, 9 Trash Hero Chapters around Myanmar came to the family meeting and discussed and shared experiences and planning for the future. Goals and objectives were set to create a cleaner, healthier and greener earth without trash.

Two representatives from Trash Hero Minbu Chapter also participated in the Trash Hero Family Meeting and shared their experiences, challenges and achievements.



## Essay Competition for Mann Field Community on Proper Waste Management

MPRL E&P also strives to make the local community understand the importance of proper waste disposal in their surroundings. MPRL E&P organized an Essay Competition on the topic of “Let’s Find Solutions together for Community Waste Management” and awarded to those who won the 1st, 2nd and 3rd prizes.



## Environmental Audits and Inspections

Annual environmental audits are regularly done by the Compliance Department to keep track of whether the business conforms to the environmental rules and regulations set by the Environmental Conservation Department (ECD).

This year, MPRL E&P also welcomed the students of an Environmental Conservation Course organized by the Environmental Conservation Department, Minbu Township for the study tour of “Produced Water Management and Waste Management System” currently practiced by MPRL E&P.

### 3.1.7 Tree Plantation for Balancing Environment

MPRL E&P educates the younger generations about the significant role of trees. This year, in the rainy season of July 2018, MPRL E&P’s CSR and Communications Department along with the HSE Department, in coordination with MOGE in Mann Field and with the support of local communities organized tree plantations as part of an environmental awareness program in and around the schools in Mann Field.

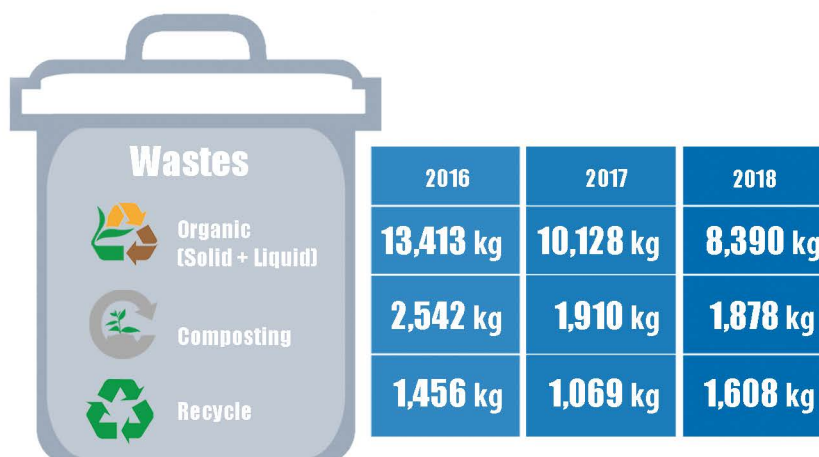


### 3.1.8 Anaerobic Composting System

MPRL E&P introduced anaerobic composting system in 2015 and the purpose of keeping the system is to reuse the organic food wastes in tree plantation and support the kitchen in camp.

#### Steps for Anaerobic Composting System

- Organic wastes are dumped to the categorized waste bins, which are big enough to keep moisture and heat.
- The mixture of organic materials (bacteria, fungi, insects, food wastes and leaves) will decompose in the compost pile.
- Within a few weeks, the final product of compost and crumbly can be used for plantation as organic fertilizers in the camp compound.





## 4. Anti-Corruption

### United Nations Global Compact Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

## 4.0 Our Anti-Bribery and Corruption Policy

MPRL E&P is committed to conducting business in accordance with all applicable laws, rules and regulations, and to the highest ethical standards.

We recognize that directors, employees and other personnel including, but not limited to, agents, contractors, consultants, and secondees who work on behalf of MPRL E&P can be subjected to corrupt behaviors that involve offers of, or requests for bribes, facilitation payments or grease payments.



To achieve this objective:

- MPRL E&P has a zero tolerance approach to corruption, meaning the giving or receiving of bribes in any form either directly or by those who work on behalf of MPRL E&P is prohibited and will not be tolerated.
- MPRL E&P will not engage in corrupt business practices.
- MPRL E&P will, at a minimum, comply with all applicable laws, regulations and standards which include, but not be limited to, the Myanmar Anti - Corruption Law, the Tenth Principle of the UN Global Compact, and the UK Bribery Act, all of which are applicable to MPRL E&P, our employees and other personnel.
- MPRL E&P is a member of the Myanmar Extractive Industries Transparency Initiative (MEITI) promoting improved governance in resource-rich countries by requiring verification and publication of company payments to, and government revenues from, oil, gas and mining.

Our anti-bribery and corruption policy is applicable to all MPRL E&P directors, employees, consultants, contractors, agents, advisors and other representatives working in operated assets and offices.



## 4.1 Our Management Framework and Approach

We provide trainings to MPRL E&P employees and contractors to better understand ethical practices against corruption and bribery.

Our Compliance Department is tasked with conducting due diligence to evaluate potential compliance risks to ensure that MPRL E&P only enters into business relationships with reputable and qualified individuals and firms. Our approach to work against corruption is providing awareness and refresher trainings for employees to keep in touch with current compliance policies, procedures and practices.

## Compliance Awareness Training for Employees

Policy awareness trainings on Anti-corruption and Conflict of Interest were conducted this year for employees both in the Yangon Head Office and Mann Field Operations Office to reflect our commitments to working against corruption and bribery.

	2016	2017	2018
 Sessions Conducted	3	10	9
 Training Man-hours	194	781	263

Other policies such as the Organizational Code of Conduct, Whistleblowing, Human Rights Statement, Diversity and Inclusion and Employee Grievance Policy are also uploaded onto the intranet web portal and website of MPRL E&P for the perusal of employees to raise awareness to reduce inequalities.



### 4.1.2 Affiliations & Memberships

The Extractive Industries Transparency Initiative (EITI) is the global standard to promote the open and accountable management of oil, gas and mineral resources. As MPRL E&P is an oil and gas exploration and production company, MPRL E&P is a member of the Myanmar Extractive Industries Transparency Initiative (EITI), which works to promote open and accountable management of natural resources in resource-rich countries like in Myanmar.

The representative from MPRL E&P always participates in the meetings, workshops, debates and Multi-Stakeholders Group (MSG) to stay tuned to the updates and progress of MEITI as one of the members.







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